



FPPC Bulletin

INSIDE THIS ISSUE:

<i>Web Site Update</i>	4
<i>Litigation Report</i>	10
<i>Legislative Update</i>	14
<i>Meeting Summaries</i>	16
<i>Clerk's Corner</i>	23
<i>Advice Summaries</i>	24
<i>CD-Rom Order Form</i>	35

FPPC Updates Campaign Disclosure Forms

— See article on Page 6 for
a summary of changes to
several key forms.



FPPC
Toll-free Advice Line:
1-866-ASK-FPPC
(1-866-275-3772)

Chairman's Message

A disagreement between the Fair Political Practices Commission and the Los Angeles City Ethics Commission over whether statewide political parties can be required by local law to report the money they spend in Los Angeles elections has, I believe, been greatly exaggerated.

At the same time, a pending legislative solution with statewide implications has received considerably less attention. I would like to set the record straight.

The current controversy stems from provisions of Proposition 34, the statewide campaign finance ballot measure passed by more than 60 percent of California voters last November. Proposition 34 imposes contribution limits on state candidates and increases penalties for violations of state law. But the proposition, in its own words, also "strengthen[s] the role of political parties in financing political campaigns" by giving the parties greater flexibility in fundraising and spending. The preamble to Proposition 34 states that political parties "play an important role in the American political process and help insulate candidates from the potential corrupting influence of large campaigns."

Significantly, Proposition 34 also promises "timely disclosure to the public" of the parties' role in political campaigns. In the recent Los Angeles mayoral election, that promise was not initially fulfilled. Relying on a relatively obscure provision of the initiative, the parties spent vast sums on "membership communications" that did not have to be reported to state officials until weeks after the election.

(Continued on page 5)

FPPC Sees Success With Streamlined Programs From Fast-Track Enforcement to Compliance

Veteran FPPC Investigator Bill Motmans had an innovative idea for improving compliance with California's Political Reform Act.

Some enforcement cases, involving public officials who had failed to file their conflict-of-

interest statements, were languishing for months without resolution, sometimes long after the person in question had left his or her government job. FPPC personnel were dutifully mailing numerous letters to those indi-

(Continued on page 11)

Future Commission Meeting Dates

The Fair Political Practices Commission is currently scheduled to meet on the following dates the remainder of this year:

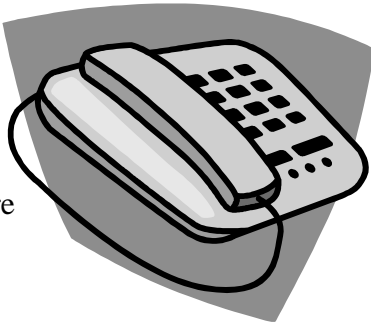
Friday, August 3
Monday, September 10
Thursday, October 11
Monday, November 5
Friday, December 7

Meetings generally begin at 9:30 a.m. on Fridays and 10 a.m. on Mondays in the 8th floor hearing room at 428 J Street, Sacramento, unless otherwise noticed.

Toll-free Advice Line: 1-866-ASK-FPPC

Public officials, local government filing officers, candidates and others with obligations under the Political Reform Act are encouraged to call toll-free for advice on issues including campaign contributions and expenditures, lobbying and conflicts of interest. *FPPC staff members answer thousands of calls for telephone advice each month.*

The FPPC provides written advice in response to more complicated questions.



California Fair Political Practices Commission

Karen Getman, Chairman
Sheridan Downey III, Commissioner
Thomas S. Knox, Commissioner
Carol Scott, Commissioner
Gordana Swanson, Commissioner

Commission Meetings

Meetings are generally scheduled monthly in the Commission Hearing Room, 428 J Street, 8th Floor, Sacramento. Please contact the Commission to confirm meeting dates.

Pursuant to Section 11125 of the Bagley-Keene Open Meeting Act, the FPPC is required to give notice of its meetings ten (10) days in advance of the meeting. In order to allow time for inclusion in the meeting agenda and reproduction, all Stipulation, Decision and Order materials must be received by the FPPC no later than three (3) business days prior to the ten day notice date.

To receive a copy of the Commission meeting agenda (free) or a copy of the full meeting packets (\$10/month or \$100/year) contact the Commission at (916) 322-5660. The agenda and packet are available through the Commission's Fax-on-Demand service at 1-888-622-1151, and now also on the Commission's web site at www.fppc.ca.gov. Additionally, past and future agendas are posted on the web site.

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bulletin@fppc.ca.gov

Outreach Programs Bring the FPPC To You

It's a fact: FPPC Analyst Tara Stock *does* have a desk at Commission headquarters in Sacramento.

But Stock, like many of her co-workers, spends much of her time traveling to cities and counties throughout California as part of the FPPC's outreach programs.

The programs are intended to systematically train city and county clerks and other filing officers on their duties under the Political Reform Act.

As part of its wide-ranging efforts to educate and promote compliance with the complex provisions of the Act, the Commission has made a major commitment to sending its outreach teams into the field. The effort appears to be paying off—many clerks have voiced positive reactions to the visits.

Under the Political Reform Act, city and county clerks are required to monitor and receive original campaign statements and Statements of Economic Interests (Form 700s). Individuals in state agencies and multi-county agencies also receive Statements of Economic Interests. These filing officers are required to track statements that are not filed on time, review statements, and keep logs of statements filed.



FPPC Staff Services Analyst Tara Stock answers questions during a recent outreach visit.

On a recent day, Stock was busy driving to the Sierra foothills on an outreach visit to officials of the Nevada Irrigation District.

"It's an enjoyable job, knowing you can provide training and help answer many questions in a one-on-one setting," said Stock.

Funding Follows Audit Report

In May 1998, the California State Auditor issued a report stating that the FPPC should provide individual training for filing officers. The audit concluded that there is a risk that filing officers may not properly carry out their duties without adequate oversight and training.

The FPPC subsequently received funding to hire new staff to provide one-on-one training in the convenience of the filing officer's own office. The two-hour visits give filing officers ample opportunity to ask questions about issues that uniquely affect their duties. The outreach training sessions began in Summer 2000 and over 140 visits have been made to date.

The success of the outreach program is two-fold: filing officers receive the training they need

(Continued on page 4)

Our Outreach Team is Ready to Help!

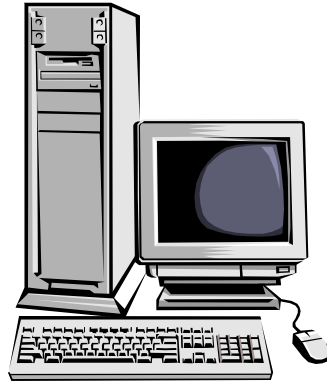
To arrange for an onsite visit, contact our Technical Assistance Division at 1-866-275-3772. We can help establish a logging system, show you how to review statements, review non-filer/late filer guidelines and assist you where you need help.

What's New On The Web: www.fppc.ca.gov

By Hal Dasinger
Political Reform Consultant

In order to provide better public access to Commission meeting materials, the FPPC has begun posting on our web site the materials previously available only to those on the agenda mailing list or present at the meetings. Ten days prior to each scheduled meeting, the agenda for the meeting appears on our web site. Beginning with the June 2001 meeting, the web version of the agenda now includes links to supplementary materials associated with agenda items.

Linked materials include letters to the Commission from in-



terested parties, FPPC forms and regulations with proposed changes, legislative analyses, staff memos, enforcement orders and exhibits. Most are in .pdf format and require that the user have the appropriate software to view or print them. The software, as well as accessibility tools and a troubleshooting

guide, are available free from the manufacturer through links to our web site.

Privacy

You can view the FPPC forms, manuals, fact sheets, agendas and other information on our web site with confidence that the FPPC respects your privacy. We do not surreptitiously collect information on individual visitors to our site or place cookies on visitors' computers. To read the FPPC's web site privacy policy, follow the link on our home page at www.fppc.ca.gov.

FPPC Staff Making Major Outreach Effort: 140 Locations And Counting

(Continued from page 3)

to satisfactorily comply with their mandated duties, and the FPPC has the opportunity to get feedback from filing officers and the regulated community.

For example, FPPC staff has used filing officers' comments to help streamline forms and structure group workshops that further enhance the agency's educational efforts.

The training is generally targeted to new filing officers, but FPPC staff also frequently gets requests to visit seasoned filing

officers who ask for training for their new staff.

"We have received a very positive reaction to the outreach visits. Some filing officers have corresponded with the FPPC after the visit, and a typical comment is that the information provided was invaluable. The filing officers also greatly appreciate the measure of reassurance that comes from knowing there are friendly, informative people to contact," said Dixie Howard, an FPPC staff manager who helps oversee the outreach programs.

"Upon leaving the training session, FPPC staff also have a sense of personal gratification that they have provided the training that will give filing officers the skills and confidence they need to adequately perform their duties. The lines of communication are enhanced, and we have discovered that filing officers are more apt to call us on our toll-free help line if they have additional questions after the visit," Howard added.

Chairman's Message . . .

(Continued from page 1)

Concerned that these unreported expenditures upset the balance of the Los Angeles public financing scheme, the City Council, at the request of the City Ethics Commission, passed an emergency ordinance requiring the parties to file new membership communication reports. The Democratic and Republican parties complied under protest, but both threatened to sue, contending that state law trumps local law in the regulation of statewide political committees. The City Council, in the meantime, has extended the emergency ordinance to cover upcoming special elections for two vacant Council seats.

After two lengthy public hearings, during which everyone – including the Los Angeles City Ethics Commission, the City Attorney, the political parties and the public – had an opportunity to be heard, the FPPC adopted an opinion holding that state law preempts the local ordinance. We did so not because we are “anti-disclosure” or a “tool for the major political parties,” as some have alleged. We did so because this is a matter of statewide concern.


The Los Angeles experience is likely to be repeated in San Francisco, San Diego and elsewhere across the state, and the Los Angeles ordinance will do nothing to help voters in those cities.

State law has always recognized that Los Angeles and other cities must be allowed to enact their own campaign finance laws tailored to the unique aspects of their local elections. Initially, the law allowed local jurisdictions to impose their own campaign finance rules – not just on local candidates and political committees, but also on committees active on a statewide basis. By 1985, some 42 local jurisdictions had their own campaign finance laws and reporting requirements. A committee active in elections throughout the state – such as those concerned with environmental issues or taxpayers’ rights – had to file reports with state officials and with each of the 42 local agencies that sought additional information from the committee.

This complex overlay of state and local laws caused problems not just for the committees but also for the FPPC’s efforts to enforce and interpret the state law. In 1985, the FPPC sponsored legislation that put statewide political committees under our jurisdiction. At the same time, we tailored our reporting requirements to ensure that state committees file additional pre-election reports whenever they become active in local elections.

For 16 years, the state law worked to give voters timely and accurate information on last-minute campaign spending by the political parties. Senate Bill 34, which has been passed by the Legislature and is awaiting action by the Governor, will re-enact the same reporting requirements that worked so well for so long. It has the support of the FPPC, Common Cause, The League of Women Voters, and the two major political parties. It should solve the problems with unreported party expenditures in Los Angeles and prevent similar problems from occurring in other California cities.

Both the FPPC and the Los Angeles City Ethics Commission believe fervently in the power of campaign finance disclosure. We are working together to pave the way for a system of statewide electronic disclosure that will increase the accessibility of campaign finance information in all state and local elections. Let’s hope the current dispute is quickly resolved so we can continue to focus our collective efforts on positive reforms.



Karen Getman, Chairman

Changes Prompted By Voter Passage Of Proposition 34

FPPC Updates Campaign Disclosure Forms

By Staff of the Technical Assistance Division

In order to implement Proposition 34 and other legislative amendments to the Act's campaign reporting requirements, the FPPC's Technical Assistance Division has updated several campaign disclosure forms. The new forms were mailed to campaign filing officers beginning in early July.

Changes include:

Form 501—Candidate Intention

- Added to Part 2 (State Candidate Expenditure Limit Statement): a section for *state* candidates to indicate the date that personal funds in excess of the voluntary expenditure limits have been contributed to the candidate's campaign. The Form 501 must be amended within 24 hours of that date. (If this happens, opponents of the candidate are no longer bound by the expenditure limits.)

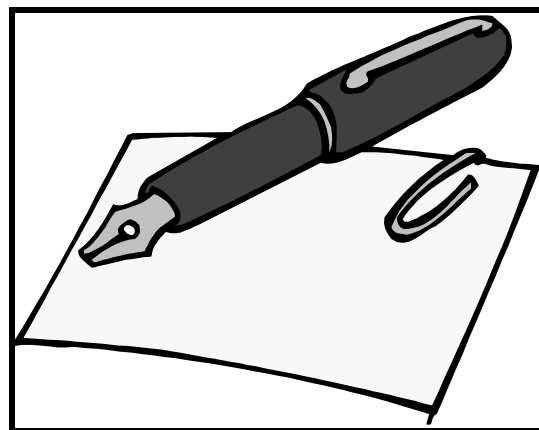
Form 450—Recipient Committee Short Form

Cover Page

- Under Part 1 (Type of Committee) a general purpose committee may indicate if it is a "small contributor committee."

Payments Made

- When a committee makes a contribution to a *state* candidate, that contribution must be attributed to a specific election by showing the amount of the contribution and the election it is attributed to. Example: A \$1,500 contribution given for the 2002 Primary Election will be disclosed as "\$1,500 P-02."



Form 496—Late Independent Expenditure Report

- A new section has been added to describe amendments to a previously filed report.
- When a committee files Form 496, it must disclose all contributions of \$100 or more received since the last statement filed.

Form 497—Late Contribution Report

- A new section has been added to describe amendments to a previously filed report.
- New contributor codes have been added for political parties (PTY) and small contributor committees (SCC).

Form 460—Recipient Committee Campaign Statement

(Note: Changes to the Form 460 instructions have not been finalized. The Form 460 will be mailed out later in the year.)

(Continued on page 7)

Changes Prompted By Voter Passage of Proposition 34

FPPC Updates Campaign Disclosure Forms

(Continued from page 6)

Cover Page

- Under Part 1 (Type of Committee) a committees may indicate if it is controlled by a *state* candidate and a general purpose committee may indicate if it is a "small contributor committee."
- The verification, previously on the second page of the cover page, has been moved to the first page.

Summary Page

- Previously, Column B contained totals for the previous reporting period. That column has been deleted. The calendar year totals are now reported in Column B.
- A new section (Line 22) has been added for *state* candidates who have accepted the voluntary expenditure limits to report, for each election, the total amount of expenditures made that are subject to the voluntary expenditure limits.

Schedule Changes

- Contributor codes have been added for contributions from political parties (PTY) and for small contributor committees (SCC). These codes are used by *state* candidates.
- In addition to the calendar year cumulative totals, *state* candidates also must indicate the amount of each contribution that is attributable to the primary or general election. Example: A \$3,000 contribution received for the March 2002 primary election will be disclosed as "\$3,000 P-02." A \$3,000 contribution re-

ceived for the November 2002 General Election will be disclosed as "\$3,000 G-02."

Schedules B and H

- Similar to accrued expenses reported on Schedule F, loans received and made by a candidate or committee must now be continuously reported until paid or forgiven. This applies to *all* candidates and committees.

Schedules E, F and G

- New description codes have been added to identify payments for candidate filing and ballot statement fees (FIL), legal defense (LEG), and member communications (MBR).

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The FPPC provides written advice in response to more complicated questions.



FPPC Staff Notes...

Veteran Public Prosecutor Named To Lead FPPC's Enforcement Division

Senior Commission Counsel Steven Russo, a veteran state and local prosecutor, recently was named chief of the FPPC's Enforcement Division.

Russo, 44, has been an attorney for the FPPC since 1997, working in both the Legal and Enforcement Divisions. He has handled several major enforcement cases, including working with the Attorney General's office on investigations of the state Department of Insurance. He worked on an investigation of the legislative car-leasing program, and on a case involving illegal corporate contributions to a Burbank airport commissioner. He also helped develop the FPPC's first expedited major-donor prosecution program.

Prior to joining the FPPC, he was lead deputy district attorney in the criminal division of the El Dorado County D.A.'s office, where he worked from 1990-97, and he earlier served as a deputy district attorney and county counsel in San Benito and Butte



Counties.

As a local prosecutor and county counsel, he worked on a wide variety of cases, including child protective services cases, consumer fraud and environmental violations. He handled more than 100 criminal trials on charges ranging from narcotics and child abuse to sexual assault, domestic violence and murder.

"We are very fortunate that we did not have to look beyond our own agency to find the right person to serve as Enforcement Division Chief," said Commission Chairman Karen Getman in announcing Russo's appointment. "Steve has excellent judgment and extensive knowledge of the Political Reform Act. He fully supports our efforts to streamline and standardize the caseload and to focus our efforts on serious violations."

"Steve has earned the respect of his peers within and outside the FPPC for the manner in which he has handled some of our most sensitive investigations, and for his thoughtful insights on the enforcement implications of our regulatory programs," Getman added.

The 25-member Enforcement Division includes attorneys, in-

vestigators, accountants, auditors and political reform consultants who review, investigate and prosecute violations of the Political Reform Act.

Russo holds a Bachelor's degree in political science from Stanford University and a law degree from Santa Clara University School of Law. He lives in Placerville with his wife, Christine.

Krausse Named Acting FPPC Executive Director

In other staff news, the Commission has appointed Mark Krausse as Acting Executive Director pending a search for a permanent director. Krausse most recently served as the FPPC's Government Relations Director and will continue in that role in addition to his new duties.

Krausse replaces former Executive Director Wayne Strumpfer, who resigned on June 29 to become assistant chief deputy to California Inspector General Steve White.

Important Updates **To the Political Reform Act 2001**

The Federal District Court has ruled that section 84503 of the Political Reform Act, which had been enjoined in the case of *California Pro-Life Council Political Action Committee, et al. v. Scully, et al.*, is unconstitutional only as applied to slate mailers. Therefore, section 84503 is in effect for ballot measure advertisements that are not contained in slate mailers.

§ 84503. Disclosure; Advertisement For or Against Ballot Measures.

(a) Any advertisement for or against any ballot measure shall include a disclosure statement identifying any person whose cumulative contributions are fifty thousand dollars (\$50,000) or more.

(b) If there are more than two donors of fifty thousand dollars (\$50,000) or more, the committee is only required to disclose the highest and second highest in that order. In the event that more than two donors meet this disclosure threshold at identical contribution levels, the highest and second highest shall be selected according to chronological sequence.

Separately, there is an error in the Commission's publication of the Political Reform Act for 2001. In subdivision (a)(2) of section 84305.5, the notice to voters should appear as follows:

NOTICE TO VOTERS

THIS DOCUMENT WAS PREPARED BY (name of slate mailer organization or committee primarily formed to support or oppose one or more ballot measures), NOT AN OFFICIAL POLITICAL PARTY ORGANIZATION. Appearance in this mailer does not necessarily imply endorsement of others appearing in this mailer, nor does it imply endorsement of, or opposition to, any issues set forth in this mailer. Appearance is paid for and authorized by each candidate and ballot measure which is designated by an *.

The version of the 2001 Act and an addendum available for downloading from the FPPC's web site, www.fppc.ca.gov, reflect both changes. CD-ROMs containing the 2001 Act and previously distributed by the FPPC do not contain the changes and should be used in conjunction with this article or the information available on the web site.

Litigation Report

Daniel Griset et al. v. Fair Political Practices Commission

On May 24, 2001, the California Supreme Court handed down a unanimous decision upholding the constitutionality of Section 84305, for the second time. The Court agreed with the State's position that once the first Supreme Court decision had become final, it terminated the litigation as to all causes of action in plaintiffs' complaint. Because plaintiffs thereafter did not commence a separate lawsuit, but instead improperly sought to revive the same litigation in *Griset II*, the Court of Appeal erred in holding that it had authority to entertain a second appeal in the same action.

California ProLife Council Political Action Committee et al. v. Scully et al.

The trial court issued its final judgment in this matter on March 1, 2001, adjudicating the complaint of the slate mail plaintiffs and permanently enjoining Sections 84305.5 and 84503. On March 12, the Commission filed a motion requesting that the trial court alter or amend its judgment in several particulars, which was effectively granted by order entered on May 8, 2001. The trial court expressly limited its injunction of Section 84305.5 to the amendments added by



Proposition 208, and limited its injunction of Section 84503, enjoining only application of that statute to slate mail advertisements. At a closed session meeting on May 22, 2001, the Commission decided that it would not appeal the judgment, as amended.

California ProLife Council PAC v. Karen Getman et al.

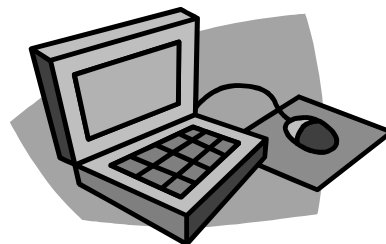
On October 19, 2000, the court denied plaintiff's motion for preliminary injunction and dismissed seven of the ten counts in the complaint. Plaintiffs dismissed the Sacramento County District Attorney, and the remaining defendants – the FPPC and the Attorney General – answered what was left of the complaint. The parties are now engaged in discovery, which must be completed on or before October 26, 2001. Trial is set for June 24, 2002.

Institute of Governmental Advocates, et al. v. FPPC et al.

On March 6, 2001, the Institute of Governmental Advocates filed and served a Petition for Writ of Mandate with the Third District Court of Appeal, asking the Court to stay enforcement of Section 85702. That provision was added to the Act by Proposition 34, and prohibits lobbyists from making contributions to candidates and officeholders the lobbyists are registered to lobby. The Court of Appeal denied the Petition, and the action has been refiled in federal district court, where it is now pending before Judge Frank C. Damrell. The Commission is represented in

(Continued on page 11)

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*Updates on litigation
and other FPPC news
items are available
on our newly
remodeled web site:*

www.fppc.ca.gov

Litigation Report

(Continued from page 10)

this action by the Attorney General. An answer to the complaint is being prepared and cross motions for summary judgment are expected soon thereafter. A hearing on the motions for summary judgment is scheduled for August 24.

Henry F. Ramey v. FPPC

Plaintiff seeks a declaration

in Sacramento County Superior Court that the Commission acted beyond its power in adopting Regulations 18705.1 and 18704.2 during the Commission's Phase 2 overhaul of its conflict-of-interest regulations. Plaintiff challenges the amendment to Regulation 18704.2(a), which provides that real property in which a public official has an economic interest is "directly involved" in a governmental deci-

sion if any portion of that property lies within 500 feet of property which is the subject of the governmental decision. The complaint alleges that the revised regulations reduce the obligations of public officials below a threshold established by statute and governing case law. The Commission filed its response on May 18.

From Fast-Track Enforcement To Compliance....

(Continued from page 1)

viduals who hadn't filed, but sometimes to little or no effect.

"I just felt like all of those letters weren't always doing that much good," said Motmans.

But Motmans believed there was a better way to promote compliance: Once a case was referred to the FPPC's Enforcement Division, why not simply make a quick, personal phone call to the person who had failed to file his or her Statement of Economic Interests?

"My idea was to call people directly, assuming we could get a number, and ask them courteously about what had happened.... Just sort of cut to the chase," Motmans recalled.

"It wouldn't be just another letter to set on the kitchen counter. It would be a phone call from a real person," he added.

Such phone calls are now routinely made by FPPC enforcement personnel and often result in quick compliance by the official who had failed to file his required statement.

In the wake of Motman's proposal and other innovative ideas from other staff members, commissioners and the regulated community, the FPPC now has successfully implemented three innovative "fast-track" enforcement programs. The programs are aimed at promoting compliance with the state's disclosure rules affecting conflict-of-interest disclosure, major donors, and late contributions.

A key feature of all three programs is fast enforcement action, which provides timely information to the public on violators, and alerts all filers to the importance of following the rules.

Early results indicate that the proactive initiatives are effective, both to ensure timely prosecutions of violators and, more importantly, to foster greater awareness of the law and improve rates of compliance.

"The preliminary evidence strongly suggests that we may have found an approach that really works," said FPPC Chairman Karen Getman.

The expedited programs were all begun or fully implemented in 2000 and are continuing in full force, making it possible for the FPPC to handle a far greater number of reporting violation cases than in previous years.

The three programs feature streamlined paperwork and procedures, standardized fine schedules and special outreach efforts to alert affected filers to ap-

(Continued on page 12)

From Fast-Track Enforcement To Compliance....

(Continued from page 11)

proaching filing deadlines.

Disclosure violations that previously may have been prosecuted long after the end of an election cycle now are handled in an expedited manner, providing both the public and filing community with more timely and relevant action and information. And yes, personal phone calls from FPPC personnel, rather than a long string of letters, are also often used to promote compliance.

Other government agencies and private sector groups are encouraged to join with the FPPC in promoting compliance with the Political Reform Act.

What can an agency or organization do?

One example comes from the Consumer Attorneys of California, which during past election seasons has prominently displayed on its Web site information on reporting rules for major campaign donors. The notice, which included a link to the FPPC's web site (www.fppc.ca.gov), described in detail filing requirements under the Political Reform Act and other rules.

"A lot of our people participate politically on many levels. We want them to know everything they are required to do and report," said Joan Pollitt, executive director of the Consumer Attorneys of California.

Pollitt described the FPPC as "a very helpful agency" when it comes to providing assistance to

those with questions.

"Most of the time we know how to assist them but if we don't we can always refer them to your agency," she added.

The FPPC streamlined program promoting compliance with major donor disclosure rules appears to be bringing positive results, evidenced by a dramatic decline in the number of enforcement cases from the first to the second semi-annual filing periods in 2000.

Key goal is timely action

A key goal of the major donor program is to bring quick and timely enforcement action, thereby promoting compliance with the campaign statement filing requirements for Major Donor Committees. The fines for these enforcement cases are based in part on the timeliness of the response of the Major Donor Committees to contact from the FPPC Enforcement Division.

Eight enforcement actions under the streamlined major donor program were approved by the commission at its May 2001 meeting, with fine amounts ranging from a standardized \$400 (for a first-tier violation) to \$2,000 (for a third-tier violation). Six more enforcement actions were approved by the Commission at its June meeting, with fine amounts ranging from \$400 (for a first-tier violation) to \$600 (for a second-tier violation).

The FPPC also has fully im-

plemented a streamlined enforcement program for unfiled conflict of interest statements (Statements of Economic Interests), a program that has brought improved compliance levels and far-faster processing of such cases. The statements, which list stock holdings and other economic information, are filed by thousands of public officials across the state as required under the Political Reform Act's conflict-of-interest rules.

During 2000, 46 cases were prosecuted under this program. In most of those cases, the Enforcement Division succeeded in getting the missing Statement of Economic Interests on file within months of the initial filing deadline. Early reports from 2001 indicate that the enforcement program has resulted in significant improvements in compliance by state and local filers. For example, the program, combined with proactive efforts by the state Legislature, appears to have been highly effective in ensuring required compliance by legislative staff members.

Scott Hallabrin, counsel for the Assembly Legislative Ethics Committee, said the Legislature actively works internally and with the FPPC to ensure that legislative staff members meet their filing obligations.

"We have a lot of young people coming in (as new Legislative staff members). They are just sort of overwhelmed some-

(Continued on page 13)

From Fast-Track Enforcement To Compliance....

(Continued from page 12)

times with all of the things they have to do when they first get here," Hallabrin said.

"People, I think, are much more aware of their responsibilities on filing and are much more responsive now. There is just a higher level of recognition that this is important," he added.

Hallabrin said he tells legislative staff members "that the FPPC has increased its vigilance. If they don't respond, they are going to get fined."

Hallabrin also said the FPPC's Technical Assistance Division staff is "always helpful" in providing assistance.

The statistics reflect the success of the new programs.

In 1998, there were 14 cases of legislative staffers who had failed to file their Statement of Economic Interests referred from the FPPC's Technical Assistance Division to the Enforcement Division. In 1999, there were 15 such cases. But in 2000, after the streamlined program was up and running, the number dropped to a single case.

"Both the Assembly and Senate staffs have clearly recognized the importance of this program," said Amy Bisson Holloway, a FPPC Senior Commission Counsel.

Holloway said compliance has improved among other filers as well.

"The bottom line is that compliance has improved. But what is more important is that compli-

ance is occurring at an earlier stage, better serving the public, the regulated community and the officials responsible for receiving and filing Statements of Economic Interests."

A third FPPC fast-track program, aimed at promoting compliance with California's late-contribution disclosure rules, has resulted in at least 42 fines totaling \$86,537, for 96 violations involving more than \$2.2 million in unreported late contributions during the March 2000 primary.

"As a result of this streamlined prosecution program begun by the Commission last June, we were able to investigate and prosecute these cases in a timely and effective way, most before the November 2000 general election," Getman said.

The program is coordinated in the FPPC's Enforcement Division by Chief Investigator Al Herndon and Investigator Jon Wroten. Wroten also stressed that a key element of the program is a proactive outreach and education component. People who were identified as potential violators during the March 2000 election cycle were contacted by FPPC staff, alerted to the 16-day reporting period during the November 2000 election, and forewarned about their filing requirements.

Paperwork is reduced

Herndon and Wroten said an additional feature of the late-contribution program is a reduc-

tion of paperwork through the use of a one-page stipulation decision and order form. They said the use of the form has helped speed prosecutions and resulted in more efficient use of staff time and resources.

The new program is aided by use of data generated by California's electronic filing system.

To obtain late contribution information, FPPC staff utilized the California Secretary of State's electronic database to identify reported contributions and cross-match those figures to find cases in which either the recipient or contributor had not filed a report. Upon confirmation that a violation occurred, enforcement actions were initiated.

Wroten reported that as of March 2001, no fewer than 5,411 late contribution records were searched and reviewed in the electronic database.

"While our streamlined programs are still young, the early evidence indicates that all of them may be promoting compliance with key disclosure provisions of California's Political Reform Act," said Getman. "In other words, people appear to be getting the message."

Legislative Update

The Legislature approved the state budget and reached agreement on a package of trailer bills on July 23, 2001. Unless work on energy crisis legislation interferes, both houses are likely to be in summer recess until August 20.

Senate Bill 34 (Burton), which the Commission voted last month to support, passed out of both houses of the Legislature on unanimous votes. If the governor signs the bill or lets it become law without his signature, the bill takes effect immediately as an urgency measure.

Bills Proposing To Amend The Political Reform Act

AB 2 (Alquist) would require an independent expenditure committee that qualifies as a recipient committee preceding an election for which it has made independent expenditures of \$1,000 or more to file a statement of organization within 24 hours of qualifying as recipient committee.

AB 190 (Longville) would repeal Section 85300 of the Act, the ban on public funding of candidates, and create a new system for publicly funded legislative campaigns.

AB 374 (Matthews) would require a slate mailer that purports to represent the position of a



peace officer or firefighter organization to include the number of members the organization has statewide and in the counties in which the mailer is sent. The bill would prohibit any slate mailer that is untruthful or misleading. The bill would replace with asterisks (“****”) the dollar signs (“\$\$\$”), previously enjoined by the federal court, required by Prop 208 to be printed next to the name of any candidate or measure paying to appear in a mailer.

AB 690 (Wesson) would provide that a candidate, committee or other organization may not expend campaign funds to pay for 1,000 or more similar telephone calls to support or oppose a candidate or ballot measure unless the name of the organization that authorized or paid for the call is disclosed during the course of each call.

AB 693 (Longville) would lower the threshold for banned personal loans to public officials from \$500 to \$300.

AB 696 (Longville) would re-

quire the Secretary of State to provide free online forms and software for electronically filing the lobbyist and campaign reports required by the Act. The bill would require that online forms be available on or before April 15, 2002, for lobbyist report filers, and July 1, 2002, for campaign filers. The bill would require that free software be available by December 1, 2002. Finally, the bill would extend by one year, to June 1, 2002, the deadline for a report on the implementation and development of online and electronic filing, and add a new report due no later than January 31, 2003.

AB 1053 (Papan)

This bill makes non-substantive changes to the Act and is a placeholder measure.

AB 1236 (Jackson) would repeal Article 5 of Chapter 4 and enact a similar scheme regulating state ballot measure advertisements. (The current sections regulate all measures, state and local.) In addition, the bill would require an initiative petition to indicate on its face whether a paid signature gatherer or a volunteer circulates it, and to disclose the campaign’s major contributors. The bill would require the ballot pamphlet to identify initiatives that were qualified by volunteers.

(Continued on page 15)

Legislative Update

(Continued from page 14)

AB 1325 (Negrete McLeod) would modify the definition of payments to influence legislative or administrative action to include payments for the purpose of influencing a rate-making or quasi-legislative proceeding before the PUC.

SB 3 (Brulte) would prohibit a candidate, committee or slate mail organization from using campaign funds to pay for telephone calls to support or oppose a candidate or ballot measure unless the call announces that it was paid for or furnished by the candidate, committee or slate mail organization. The bill would also amend the definition of "mass mailing" to provide greater specificity and expressly include items delivered by any means to a recipient's home, business, place of employment or post office box.

SB 34 (Burton) would make several clean-up changes suggested by the Commission and several substantive changes to Proposition 34. The bill contains Commission-sponsored ballot spokesperson language and would subject political parties' payments for member communications to the same reporting requirements that applied prior to the effective date of Proposition 34. This bill is an urgency measure, which means the bill would be effective immediately if

signed by the governor.

SB 157 (Haynes) would prohibit an elected state officer from submitting to binding arbitration a lawsuit against the state or a state agency if the officer has received a contribution of \$250 or more within the preceding 12 months from a party to the lawsuit, the party's attorney or agent. The bill would also prohibit a public official from taking a contribution in excess of \$250 after taking part in certain decisions.

SB 300 (McPherson) This bill contains recommendations from the Bipartisan Commission on the Political Reform Act. The bill would delete the requirement that elected officials who do not maintain committees file semi-annual campaign statements, provided they have made no expenditures and have collected no contributions. This bill may be amended in 2002 to add other recommendations of the Bipartisan ("McPherson") Commission.

SB 386 (Johnson) would require the Secretary of State, in rejecting an online or electronic filing, to notify the filer by electronic mail of the reason(s) for rejection using plain, straightforward language and avoiding technical terms, so that the meaning will be easily understood.

Other Bills

AB 931 (Frommer) would limit to \$1,000 per source the aggregate amount of travel payments that the Insurance Commissioner may receive from a regulated entity or representative of a regulated entity.

SB 412 (Vasconcellos) would make it a misdemeanor for a candidate, committee, or proponent or opponent of an initiative or referendum measure to deliberately register a domain name for the purpose of directing a person away from the web site of that competing candidate or measure, or for the purpose of preventing the competing candidate or measure from acquiring a desired domain.

SB 798 (Speier) would prohibit those regulated by the Insurance Commissioner and their representatives from making a contribution or gift to the Insurance Commissioner or a candidate for Insurance Commissioner. The bill would exclude employees of regulated entities who make gifts or contributions from their personal funds. The bill would also prohibit any attorney or law firm under contract or bidding on or under consideration for a contract to represent the Department of Insurance or the Insurance Commissioner from making any contribution or gift.

Commission Meeting Summaries

May

Commission clarifies Proposition 34 impact on local elections

At its May meeting, the Fair Political Practices Commission adopted an opinion that further clarifies how the provisions of Proposition 34, passed by voters in November 2000, will affect local jurisdictions.

The opinion, requested by the Los Angeles Ethics Commission, answers certain questions brought to the attention of the Commission during the course of the highly publicized Los Angeles mayoral election.

The opinion ruled on four separate issues:

- A Los Angeles campaign ordinance prohibiting the deposit of campaign contributions until all donor information has been obtained does not conflict with section 85700 of the Political Reform Act ordering recipients of contributions to return the contribution within 60 days if all donor information has not been obtained. The Los Angeles ordinance does not conflict with the Act, the opinion states, because it does not impede compliance with the Act.

- Section 85304 of the Act concerning the creation of legal defense funds governs funds created by state candidates and officeholders and does not interfere with a local Los Angeles ordinance restricting contributions to legal defense funds of local officials to \$1,000.
- Under certain circumstances, the presumption that contributions received from minors are actually from the child's parents under section 85308, may be overcome and a minor may be a contributor in his or her own right.
- The City of Los Angeles may deposit laundered funds into its general fund when the action is brought under its own ethics ordinances. The City's ordinances are not preempted by state laws concerning the distribution of laundered funds because the state law only applies to violations of the state statutes.

Additionally, the Commission discussed proposed Proposition 34 regulations. Concerning transfers and attributions of funds, the commission decided to use the "layperson" accounting approach rather than an "accountant" accounting approach.

The Commission also discussed proposed changes to its campaign disclosure forms. The forms must be changed to reflect Proposition 34, including the addition of small contributor committee and political party contributor codes as well as the addition of ballot statement fees, legal defense payments and member communication expenditure codes. The Commission tentatively approved regulations to implement the online/electronic filing requirements of Proposition 34.

Commissioner Knox was appointed to the Chairman's Subcommittee on Legislation, a body which enables the Commission to act on legislative issues between regularly scheduled Commission meetings. On other legislative issues, the Commission granted staff the authority to work with state Senator McPherson concerning SB 300, legislation proposing the recommendations of the Bipartisan Commission on the Political Reform Act of 1974.

Enforcement Actions

Campaign Reporting Violations

Drake Kennedy, co-owner of a billboard company in the City of Monterey Park, qualified as an independent expenditure committee in 1997. He paid the large-

Commission Meeting Summaries

est portion of the expenditures attributable to five mass mailings, yet failed to disclose himself as the sender of those mailings, in violation of Government Code section 84305 (5 counts). Additionally, he failed to file any campaign statements reporting his campaign activity, including a pre-election statement in violation of Government Code section 84200.8 (1 count), four late independent expenditure reports in violation of Government Code section 84204 (4 counts), and a semi-annual statement, in violation of Government Code section 84200 (1 count). **\$18,000 fine.**

LA For Kids, Mike Hernandez and Samuel Ortiz, treasurer, of Los Angeles, failed to timely file six late contribution reports in violation of Government Code section 84203 (6 counts), and failed to report non-monetary contributions received, in violation of Government Code section 84211 (1 count). **\$8,000 fine.**

California Republican Assembly Membership Action Committee and James D. Smith, treasurer, of Huntington Beach, failed to disclose in their semi-annual campaign reports contributions made and received, in violation of Government Code sections 84200 and 84211 (4 counts). **\$4,000 fine.**

Ethics Violations

Christopher Pak accepted two prohibited honoraria payments while serving on the Los Angeles City Board of Zoning Appeals, in violation of Government Code section 89502 (two counts). **\$3,000 fine.**

Failure to Timely File Major Donor Campaign Statement – Streamlined Procedure

The goal of the Major Donor Program is to encourage compliance with the campaign statement filing requirements for Major Donor Committees. The fines for these enforcement cases are based on the timeliness of the response by the Major Donor Committees to contact from the FPPC Enforcement Division.

The following persons and entities failed to file a major donor campaign statement(s) due during the calendar year of 2000, in violation of Government Code Section 84200:

1st Tier Violation - \$400 fine per count

Pacific States Industries, of San Jose, made contributions totaling \$10,000 (1 count).

Webvan Group, Inc., made contributions totaling \$10,050 (1 count).

Melissa Seifer, of Rancho Santa Fe, made contributions totaling \$10,000 (1 count).

D. R. Horton Management Company, Ltd., of Carlsbad, made contributions totaling \$10,000 (1 count).

AB&I Foundry, of Oakland, made contributions totaling \$12,500 (1 count).

Lori Clem, of Brea, made contributions totaling \$21,000 (1 count).

Harris & Associates, of Concord, made contributions totaling \$66,968 (1 count).

3rd Tier Violation - 15% fine (Not to exceed statutory maximum)

Ted Waitt, of La Jolla, made contributions totaling \$103,500 (1 count). **\$2,000 fine.**

June

FPPC backs key SB 34 campaign disclosure provision

The Fair Political Practices Commission voted at its June meeting to support a key element of a bill requiring political parties to report "member communication" payments as contributions and expenditures –

Commission Meeting Summaries

a subject of considerable controversy in the recent Los Angeles mayoral election and a potential issue facing other cities with local campaign disclosure laws.

In a June 12 letter to Senate President Pro Tempore John Burton (D-San Francisco), author of the bill, FPPC Chairman Karen Getman wrote, "The Commission applauds this move to require timely public disclosure of payments made by political parties to communicate with their members.

"It is our understanding that the recent amendments to SB 34 will provide voters in state and local elections with the same information they would have had regarding party expenditures prior to the passage of Proposition 34. Recent events confirm the strong public interest in having access to this information," she added.

The commission voted during its regular monthly meeting Friday, June 8, to support the enhanced disclosure provision in Senate Bill 34. The vote came toward the end of a day-long hearing on various aspects of Proposition 34, the campaign finance measure passed by more than 60 percent of California voters last November. The FPPC is responsible for implementing Prop. 34 and has suggested several legislative and regulatory changes.

Following a three-hour discussion at the June 8 meeting, the commission voted 4-1 to draft an opinion stating that state law - as it presently stands - preempts a local campaign disclosure ordinance passed by the Los Angeles City Council during the recent mayoral campaign. The Republican and Democratic parties contended the ordinance, which required disclosure of member communication payments before the election, conflicted with state law.

Representatives of the Los Angeles City Ethics Commission and the City Attorney's office had urged the FPPC not to draft the opinion based on current state law. The commissioners said they were sympathetic to those arguments, but had to adhere to the existing state law - while supporting legislative efforts to change it.

In other action at the June meeting, the commission also made a number of significant decisions affecting implementation of Proposition 34:

- It approved a revised Form 460 - used by campaign committees to report contributions and expenditures - to include some additional information, including an expense summary that will

track a candidate's compliance with the voluntary expenditure ceilings of Proposition 34.

- The commission interpreted the initiative's restrictions on post-election fundraising to apply only to elections held after the effective date of the initiative (Jan. 1, 2001 for legislative candidates).

Enforcement Actions

Conflict of Interest/Assessment of Fine

Gerald Geismar, former Executive Director of the state Employment Training Panel, made and participated in making governmental decisions in which he had a financial interest, in violation of Government Code section 87100 and 87103 (7 counts). **\$8,750 fine.**

Campaign Reporting Violations

Roger Klorese, a San Francisco resident, failed to file a major donor committee campaign statement and a late contribution report, in violation of Government Code sections 84200 and 84203 (2 counts). **\$3,500 fine.**

Robert Prenter and the Committee to Elect Robert Prenter for Assembly. Prenter was a successful candidate for the 30th Assembly District seat, which

Commission Meeting Summaries

consists of portions of Fresno, Kern, Kings and Madera counties. Respondents failed to properly file two pre-election campaign statements, in violation of Government Code section 84200.5, subdivision (a) and section 84215, subdivision (b)(2) (2 counts). **\$1,500 fine.**

Lieff, Cabraser, Heimann & Bernstein, LLP, a San Francisco law firm, failed to file a major donor campaign statement, in violation of Government Code section 84200, subdivision (b) (1 count). **\$1,000 fine.**

Santa Clarita Valley Congress of Republicans failed to timely file a semi-annual campaign statement in violation of Government Code section 84200, subdivision (b) (1 count). **\$1,000 fine.**

Marco Polo Cortes and Cortes 2000 failed to timely file a pre-election statement prior to the Chula Vista City Council election, in violation of Government Code section 84200.5 (1 count). **\$750 fine.**

Sharon Martinez, Friends to Elect Sharon Martinez for Monterey Park City Council, and Sally Martinez, treasurer, failed to timely file a semi-annual campaign statement, in violation of Government Code section 84200 (1 count). **\$1,000 fine.**

Tom Torlakson, a successful candidate for the 7th Senate District seat in Alameda and Contra Costa Counties; **Tom Torlakson for Senate, and Michael Pas-trick** failed to file a late contribution report, in violation of Government Code section 84203 (1 count). **\$1,750 fine.**

Failure to Timely File Major Donor Campaign Statement – Streamlined Procedure

The goal of the Streamlined Major Donor Program is to encourage compliance with the campaign statement filing requirements for Major Donor Committees. The fines for these enforcement cases are based on the timeliness of the response by the Major Donor Committees to contact from the FPPC Enforcement Division.

The following persons and entities failed to file major donor campaign statements due during the calendar year of 2000, in violation of Government Code Section 84200:

1st Tier Violation - \$400 fine per count

Bob Hampton of Bakersfield made contributions totaling \$26,750 (1 count).

Peter Formuzis of Santa Ana made contributions totaling \$10,000 (1 count).

Magana Cathcart & McCarthy of Los Angeles made contributions totaling \$10,700 (1 count).

24 Hour Fitness Inc. of Pleasanton made contributions totaling \$50,000 (1 count).

WESTCO Community Builders, Inc. of San Leandro made contributions totaling \$11,000 and \$72,998 (2 counts).

2nd Tier Violation - \$600 fine per count

Baron & Budd, P.C. of Dallas, Texas made contributions totaling \$20,557.97 (1 count).

Failure To Timely File A Statement Of Economic Interests

Vincent Reyes, a member of the Oakland Planning Commission, failed to timely file a 1998 annual Statement of Economic Interests, in violation of Government Code section 87203 (1 count). **\$750 fine.**

Statement of Economic Interests - Expedited

Lawrence Lake, a member of the Planning Commission for the City of Shasta Lake, failed to timely file his 1999 annual Statement of Economic Interests, in violation of Government Code section 87200 and 87203 (1 count). **\$350 fine.**

Commission Meeting Summaries

Linda Engelman, a Planning Commissioner for the City of Vallejo, failed to timely file her 1999 annual Statement of Economic Interests, in violation of Government Code section 87203 (1 count). **\$200 fine.**

Statement of Economic Interests - Default

Mark Briggs, a member of the Commission on HIV Health Services for Los Angeles County, failed to timely file his 1999 annual Statement of Economic Interests, in violation of Government Code section 87300 and 87302 (1 count). **\$1,000 fine.**

July

Member communication opinion approved at July meeting

In an effort to sustain uniformity concerning state campaign finance disclosure, the Fair Political Practices Commission, at its July meeting, adopted an opinion regarding recently drafted Los Angeles ethics ordinances.

Section 85312 of the Political Reform Act was added into law by the voters of California as part of Proposition 34, of which many provisions went into effect in January of 2001. This section

states that communications between an organization and its members are not considered contributions or independent expenditures and therefore are not subject to the same disclosure requirements of most campaign activities.

During the 2001 mayoral race potential voters received "member communications" from both the Democratic and Republican parties. The Los Angeles City Ethics Commission, in response, drafted emergency regulations requiring such "member communications" to be disclosed prior to the election as well as on the parties' semi-annual statements. The parties then turned to the FPPC, requesting an opinion on whether the new Los Angeles ordinance conflicted with state law.

After much discussion, the Commission unanimously adopted the opinion by a 4-0 vote. The opinion states that the local ordinances requiring the political parties to disclose "member communications" prior to an election are preempted by the Political Reform Act because they impose "additional or different" filing requirements on the state party committees in areas of statewide concern.

The Commission expressed a desire to have a statewide solution to the problem surrounding the filing of member communi-

cations. With that intention, the Commission, voted to support SB 34, which requires, among other things, the disclosure of "member communications" by political parties.

In other action at the July meeting, the Commission directed staff to hold interested persons meetings in order to explore issues concerning one committee / one bank account rules and the termination of committees following elections.

The Commission voted to adopt Regulation 18536 (Transfer and Attribution), including record keeping and disclosure requirements for attributed contributions. The regulation will not apply to a candidate for statewide elective office in an election held before November 6, 2002.

The following regulations were approved for adoption in September:

- **Regulation 18530.4 (Legal Defense Funds)** will include the following provisions: 1) legal defense funds must be deposited into a single account; 2) quarterly campaign reports must be filed; 3) funds raised are limited to an amount reasonably necessary to defray costs; and 4) left-over funds to be used for campaign expenses are subject to attribution under Sec-

Commission Meeting Summaries

tions 85301-85306.

- **Regulation 18570 (Return of Contributions with Insufficient Donor Information)** will include the following provisions: 1) contributions without donor information may be deposited before donor information is obtained; 2) contributions that cannot be returned to the contributor must be paid to the general fund of the state within 60 days of receipt; 3) for a local candidate or committee, contributions may be paid to the general fund of the local jurisdiction within 60 days of receipt; and 4) campaign statements containing missing donor information must be amended within 70 days of the closing date of the statement to disclose the information.
- **Regulation 18531.6 (Treatment of Outstanding Debt)** will include the following provisions: 1) contributions received by a candidate for elective state office on and after January 1, 2001, for elections held prior to January 1, 2001, are not subject to any limit, including Proposition 73 limits that were in effect for special elections; 2) for elections held after January 1, 2001, contributions received under Section 85316 may be used only to retire debt from the

election; and 3) the regulation will not apply to a candidate for statewide elective office in an election held before November 6, 2002.

The Commission took a “support” position on SB 34, and an “oppose unless amended” position on SB 3 and AB 690. Staff was directed to work with Senator Brulte and Assemblyman Wesson to resolve issues concerning the enforceability of these two pieces of legislation proposing requirements concerning telephone campaign advocacy.

Enforcement Actions

Conflict of Interest/Assessment of Fine

Norm Morikawa. As an assistant director at the Stephen P. Teale Data Center of the California Business, Transportation and Housing Agency in Sacramento, Norm Morikawa accepted gifts that exceeded the annual gift limit, failed to disclose the gifts on his 1996 annual statement of economic interests, and participated in making a governmental decision in which the source of the gifts was directly involved, in violation of Government Code sections 87100, 87300 and 89503 (3 counts). **\$2,500 fine.**

Campaign Reporting Violations

Gloria Scott, a 1998 candidate for Kern High School District Board of Trustees in Bakersfield, **the Committee to Elect Gloria Scott for Kern High School District Board of Trustees, and Robert Martinez, treasurer,** failed to timely file one pre-election statement, in violation of Government Code section 84200.7; failed to file one late contribution report, in violation of Government Code section 84203; and failed to timely file two semi-annual statements, in violation of Government Code section 84200 (3 counts). **\$3,000 fine.**

Eris H. Wagner and Eris Wagner for Superior Court Judge failed to file a pre-election statement, in violation of Government Code sections 84200.5 and 84200.7, and failed to file a late contribution report, in violation of Government Code section 84203, prior to the June 2, 1998, primary election for Superior Court Judge of Humboldt County (2 counts). **\$2,500 fine.**

Save Our Canyons, Virginia Bertoni, and Diane Caliva, was a primarily formed committee that supported the passage of Measure U in the City of Chino Hills election in November 1999. Respondents Bertoni and Caliva, the committee's treasurers, failed to timely file two pre-

Commission Meeting Summaries

election campaign statements in violation of Government Code sections 84200.5, subdivision (c) and 84200.8 (2 counts). **\$2,500 fine.**

Sam Cardelucci and National Environmental Waste Corporation of the City of Riverside, failed to timely file seven late independent expenditure reports in violation of Government Code section 84204 (7 counts), failed to timely file seven supplemental independent expenditure reports in violation of Government Code section 84203.5 (7 counts), and failed to timely file two semi-annual statements in violation of Government Code section 84200 (b) (2 counts). **\$16,000 fine.**

William Bolthouse Farms, Inc. failed to file a major donor report in violation of Government Code section 84200 (1 count). **\$600 fine.**

Failure to Timely File Major Donor Campaign Statement – Streamlined Procedure

The goal of the Streamlined Major Donor Program is to encourage voluntary compliance with the campaign statement filing requirements for major donor committees. The fines for these enforcement cases are based on the timeliness of the response by the Major Donor Committees to contact from the FPPC Enforcement Division

The following persons and entities failed to file major donor campaign statements due during the calendar year of 2000, in violation of Government Code Section 84200:

1st Tier Violation - \$400 fine per count

Western Pacific Housing - Edgewood 45 LLC of Pleasanton made contributions totaling \$13,400.00 (1 count).

Eric and Wendy Schmidt of Atherton made contributions totaling \$50,000.00 (1 count).

James Bostwick of San Francisco made contributions totaling \$11,000.00 (1 count).

Rodriguez & Floyd of Bakersfield made contributions totaling \$23,000.00 and \$14,000.00 (2 counts).

Stradling, Yocca, Carlson & Rauth of Newport Beach made contributions totaling \$10,000.00 (1 count).

2nd Tier Violation - \$600 fine per count

Wylie and Bette Aitken of Santa Ana made contributions totaling \$34,334.56 (1 count).

California Association of Local Conservation Corps of Mill

Valley made contributions totaling \$21,991.00 (1 count).

Statement of Economic Interests - Expedited

Naresh Kamboj, a member of the California State Commission on Aging, failed to timely file an assuming office statement within 30 days of assuming office, in violation of Government Code section 87300. **\$500 fine.**

The Clerk's Corner

Workshops Set For Candidates And Treasurers

By Staff of the Technical
Assistance Division

FPPC workshops for candidates on the ballot in November 2001 and Spring 2002, and their treasurers, have been scheduled for late this summer and early fall.

Dates and locations are shown below. In addition, flyers were sent to city and county clerks last month. In previous years, we were able to send notices directly to candidates, using the addresses from the Form 501s filed with the Secretary of State. Because those forms are now filed with you, we need your assistance to get this information to candidates and treasurers in your area.

Additional seminars will be scheduled later this year.

Seating is limited; reservations are required for all seminars. Ask candidates and treasurers to call toll-free 1-866-ASK-FPPC for reservations.

Updated seminar schedules are also posted on the FPPC's web site, www.fppc.ca.gov.

August 15, Wednesday,
7-9 p.m.
City of Richmond City Council
Chambers
2600 Barrett Avenue, 3rd Floor



August 16, Thursday, 7-9 p.m.
City of Norco City Council Cham-
bers
2820 Clark Avenue

August 21, Tuesday, 7-9 p.m.
City of San Mateo City Council
Chambers
330 West 20th Avenue

August 22, Wednesday,
6-8 p.m.
City of Visalia Board of Supervi-
sors' Chambers
2800 West Burrel Avenue,
Conference Room A & B

August 23, Thursday, 7-9 p.m.
City of Livermore City Council
Chambers
3575 Pacific Avenue

August 25, Saturday, 10 a.m.-12 p.
m.
City of Alameda City Council
Chambers
2263 Santa Clara Avenue

August 29, Wednesday,
7-9 p.m.
City of Corte Madera City Council
Chambers

300 Tamalpais Drive

August 30, Thursday, 7-9 p.m.
City of Rancho Palos Verdes, Fred
Hesse Community Park, Multi-
purpose Room
29301 Hawthorne Blvd.

September 5, Wednesday, 6-8 p.m.
City of Fresno, Main Library, 2nd
Floor, Sarah McCardle Room
2420 Mariposa Street

2002 Primary/General Election Calendars Available

The filing schedules are now posted on our web site. To access the schedules from our home page, go to the blue sidebar on the left and click on Candidates and Committees. Click on Filing Deadlines and print the appropriate schedule. It will be necessary to print the schedules in "landscape" format. When you print the schedule, the blue sidebar will print out as well. If you prefer a calendar without the sidebar, contact the Technical Assistance Division and an election schedule will be faxed to you. Also note that each schedule has a question-and-answer section addressing some of the more common questions that are asked.

FPPC Advice Summaries

Formal written advice provided pursuant to Government Code section 83114 subdivision (b) does not constitute an opinion of the Commission issued pursuant to Government Code section 83114 subdivision (a) nor a declaration of policy by the Commission. Formal written advice is the application of the law to a particular set of facts provided by the requestor. While this advice may provide guidance to others, the immunity provided by Government Code section 83114 subdivision (b) is limited to the requestor and to the specific facts contained in the formal written advice. (Cal. Code Regs., tit. 2, §18329, subd. (b)(7).)

Informal assistance is also provided to persons whose duties under the act are in question. (Cal. Code Regs., tit. 2, §18329, subd. (c).) In general, informal assistance, rather than formal written advice is provided when the requestor has questions concerning his or her duties, but no specific government decision is pending. (See Cal. Code Regs., tit. 2, §18329, subd. (b)(8)(D).)

Formal advice is identified by the file number beginning with an "A," while informal assistance is identified by the letter "I."

Campaign

Kayla J. Gillan
California Public Employees' Retirement System
Dated March 27, 2001

Our File Number: I-01-018

This informal advice letter discusses the impact of various provisions of Proposition 34 on candidates for the CalPERS Board of Administration. Among the issues discussed is the applicability of campaign contribution limitations, voluntary expenditure limitations and use of campaign funds.

Linda Terrazas
Friends of Conrado Terrazas
Dated March 27, 2001
Our File Number: I-01-023

This informal advice letter discusses the applicable rules concerning a fund which sends contributions from its members to various candidates of the members' choosing. In some cases, the members use the fund's credit card account to charge their contributions and the fund then sends a contribution in that amount to the chosen candidate or campaign.

David Bauer
Gun Owners of California
Dated March 30, 2001
Our File Number: A-01-042

Existing committees may become small contributor committees if funds received in excess of \$200 per contributor are trans-

ferred to a new committee, and all other criteria for qualifying as a small contributor committee are met by the existing committee. An individual may contribute up to \$200 into the small contributor committee and make contributions to any associated general purpose committee. If a contribution in excess of \$200 is received from one source, the entire contribution should be placed into the account for the general purpose committee, after which up to \$200 may be transferred to the small contributor committee.

John R. Valencia
California Assembly
Dated April 11, 2001
Our File Number: A-00-273

The prohibition in Section 85307 (b) does not apply to any personal loan made by a candidate before January 1, 2001.

Jacque Richardson, Treasurer
Mikels for State Senate
Dated April 13, 2001
Our File Number: A-01-008

The FPPC cannot waive statutory electronic filing requirements to relieve a committee of compliance costs; the transfer of debt from one committee to another would violate key record-keeping provisions of the Act.

Virginia Vida,
Executive Director
San Francisco Ethics
Commission

FPPC Advice Summaries

Dated April 6, 2001

Our File Number: A-01-038

Section 91013 prohibits forgiveness of late-filing penalties after the filing officer sends the "specific notice" as prescribed by the statute. The Act does not bar "settlements" of such claims after a judicial collection action has been filed.

A. Kay Vinson, CMC

City of Murrieta

Dated April 20, 2001

Our File Number: I-01-048

This response reviews the City of Murrieta's proposed local campaign ordinance to determine if it conflicts with the Political Reform Act.

C. April Boling, CPA

State Assembly

Dated April 20, 2001

Our File Number: A-01-059

Proposition 34 – in addition to funds to pay debts from a previous election, a candidate may raise additional funds to pay the costs of fundraising. A candidate with a new committee may raise funds for officeholder expenses. Issues are addressed regarding contributions to a controlled committee of another individual.

David Bauer

California State Senate

Dated May 11, 2001

Our File Number: A-01-044

Senator Maurice Johannessen has asked what limits apply to a controlled committee established

for a 1993 special election for purposes of raising funds to pay debts in connection with that election. Debt retirement for elections held prior to January 1, 2001, is one of many issues the Commission will address later this year. In the meantime, contributions to retire debt from the 1993 special election should be raised under the special election limits established by Proposition 73 which were in effect at the time of the election.

Raymond Nutting

El Dorado County

Dated May 31, 2001

Our File Number: I-01-096

Expenditures can be made from one campaign committee to conduct "exploratory" activity for a separate office provided the activity is truly exploratory. If the activity promotes the individual's qualifications for the office, the person has become a "candidate" for that office and a separate bank account must be established before making the expenditures.

Alice Reed

City of Moreno Valley

Dated June 25, 2001

Our File Number: I-01-148

The City of Moreno Valley is holding an election on July 31, 2001, for the purpose of establishing a library parcel fee (Measure A). The semi-annual campaign statement may be combined with the second pre-

election statement because there are overlapping reporting periods.

Conflicts of Interest

Paul J. Dostart

San Diego Workforce Partnership

Dated March 20, 2001

Our File Number: A-00-022

The members of the San Diego Workforce Partnership are public officials because the partnership is a local government agency under the analysis in *In re Siegel*. A corporation created by a partnership may be a local public agency.

J. Dennis Crabb

Town of Truckee

Dated March 30, 2001

Our File Number: A-00-066

This letter discusses the potential conflicts of interest facing a city council member in the context of council decisions regarding a new development project. The public official has an economic interest in a tenant of the new project as well as his own business.

Sukhi K. Sandhu

Baldwin Park Unified School District

Dated March 13, 2001

Our File Number: I-00-179

A school board member whose employer had a contract with a school district could avoid a conflict of interest by abstaining

FPPC Advice Summaries

from decisions related to that contract.

Bill Rabenaldt
Pismo Beach City Council

Dated March 8, 2001

Our File Number: A-00-258

This letter discusses a newly elected city council member who is also a business owner, and the council's consideration of altering the use of a city parking lot near the council member's business. The letter reviews the recently amended conflicts regulations concerning materiality standards for effects on personal finances, business entities, persons who are sources of income and leasehold interests.

Barbara Bailey
Madera Unified School District

Dated March 22, 2001

Our File Number: A-01-011

A member of a county commission would not violate the Act by accepting employment with the school district as a consultant. However, the author is cautioned that other bodies of law may restrict such employment.

Patrick Whitnell
City of Milpitas

Dated March 8, 2001

Our File Number: A-01-017

The letter analyzes conflicts of interest caused by a variety of economic interests of Milpitas council members and planning commissioners. It also discusses new conflict of interest rules for

financial effects on business interests and real property in and near a midtown specific plan area, and the effect of a real estate license without being active in the real estate field.

Charles England
Cathedral City

Dated March 6, 2001

Our File Number: I-01-028

An employee of a paint store who is a city council member will have a conflict of interest in a development decision if it is reasonably foreseeable that the decision will increase or decrease the store owner's annual gross revenues by \$20,000.00, annual expenses by \$5,000.00 or its assets or liabilities by \$20,000.00.

Diane M. Price
City of St. Helena

Dated March 9, 2001

Our File Number: A-01-030

A member of the city council owns property that is within 500 feet of the property that is the subject of a land use decision. The council member is presumed to have a conflict of interest in the decision under the Commission's materiality regulations.

Lori J. Barker
City of Chico

Dated March 2, 2001

Our File Number: A-01-031

A city council member with a conflict of interest in a portion of the Community Development

block grant budget may not participate in the balance of budget decisions where issues are too interrelated to segregate them.

Deborah A. Flores, Ph.D.
Santa Barbara School Districts

Dated March 6, 2001

Our File Number: I-01-036

The Act does not prohibit a public official from making or participating in making any decision unless the official has an economic interest in that decision.

Michael Berest
Superior Court of California
County of Mariposa

Dated March 8, 2001

Our File Number: I-01-040

The Act does not bar a public official from contracting with his or her own agency. The Act prohibits an official from making, participating in making, and influencing a governmental decision which will foreseeably and materially financially affect the official, or an economic interest of the official. Influencing includes appearing before the official's own agency to influence it in a decision affecting the official's business.

Noreen Evans,
Councilmember
City of Santa Rosa

Dated March 27, 2001

Our File Number: I-01-041

The economic interests of the council member are identified,

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and interest in leasehold interest is analyzed.

Chad A. Jacobs
City & County of San Francisco

Dated March 13, 2001

Our File Number: I-01-046

Pursuant to new Regulation 18707.9, a member of the Board of Supervisors may participate in a governmental decision despite a conflict of interest if either: (1) ten percent of the residential property units in the entire city are affected by the governmental decision, or (2) ten percent of the residential property units in the member's individual district are affected by the decision. Please note that the requirements in Regulation 18707.9(b)(1)(2)(3) and (5) must also be satisfied in order for the exception to apply.

Michael D. Milich,
City Attorney
City of Modesto

Dated March 20, 2001

Our File Number: A-01-052

This is a follow-up to Advice Letter No. A-00-136 in light of changes in the law. Councilmember Smith may participate in this decision, unless he concludes that the decision will materially affect his sources of income. Whether Councilmember Fisher has a conflict of interest depends on the likely financial impact of the decision on the office building he owns, and on the building's tenants.

Heather C. McLaughlin
City of Benicia

Dated April 19, 2001

Our File Number: A-00-227

The mayor, vice mayor and city manager may all have conflicts of interest by virtue of real property that is within 500 feet of the marina that is the subject of city council decisions. The mayor leases property and runs a business on the property which is within 500 feet of the marina. The vice mayor owns two condominiums within 500 feet of the marina, and the city manager owns a single condominium within 500 feet. All three are disqualified from participating in the decision. None of the officials are legally required to participate in the decision.

David W. McMurtry
City of Dixon

Dated April 3, 2001

Our File Number: I-01-034

This informal advice letter discusses the interplay between "otherwise related business entities" (Regulation 18703.1) and the respective materiality standards for those business entities.

Colin J. Coffey
Mills Peninsula Health System

Dated April 20, 2001

Our File Number: A-01-063

A physician who is a member of a health care district board may not participate in settlement decisions involving litigation with a hospital, and earthquake com-

pliance issues where the party to the lawsuit is a source of income to him. This is a complex analysis of conflict-of-interest issues.

Colin J. Coffey
Mills Peninsula Health System
Dated April 20, 2001

Our File Number: A-01-064

A member of a health care district board may not participate in settlement decisions involving litigation with a hospital, and earthquake compliance issues where the hospital is a source of income to her. This is a complex analysis of conflict-of-interest issues.

Heather C. McLaughlin
City of Benicia

Dated April 26, 2001

Our File Number: A-01-074

A planning commissioner may participate in decisions related to the development of property owned by a volunteer manager of his campaign for city council, but may not accept, solicit or direct a contribution of more than \$250 from campaign manager during proceedings and for three months following the date of the final decision.

Mark E. Reagan
Dixie School District
Dated April 27, 2001

Our File Number: A-01-088

Members of a county committee on school district organization, who both own their principal residences within the boundaries of both existing and proposed

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school districts, can participate in the decision because their economic interests would be affected in substantially the same manner as the public generally.

**Robert Brennan,
Councilmember**

City of Arvin

Dated April 24, 2001

Our File Number: A-01-090

A public official's domestic partner is not a per se economic interest of the official. Thus, the official will not have a conflict of interest in decisions affecting the domestic partner. However, the domestic partner may become an economic interest by virtue of income paid to the official.

**Joe Nation, Assemblyman
State Legislature**

Dated April 26, 2001

Our File Number: A-01-091

An Assembly member is the author of a bill that includes an augmentation of the California State University system's budget from the state general fund. The Assembly member receives income through a business entity and the California State University has been a source of income of \$500 or more to the Assembly member within the past 12 months. The Assembly member does not have a conflict of interest, based on the "public generally" exception.

Raymond M. Paetzold

Board of Pilot Commissioners

Dated March 9, 2001

Our File Number: I-01-027

In light of changes over the years in the makeup, staffing and functions of the Board of Pilot Commissioners, it no longer meets regulatory criteria for exemption from requirement that it promulgate a conflict-of-interest code.

Heather C. McLaughlin

City of Benicia

Dated May 16, 2001

Our File Number: A-01-035

A public official has a one-third ownership interest in a business entity formed to develop an undeveloped piece of real property. The public official may not participate in hearing and deciding on appeals from the planning commission's decisions involving the property, because they will have a reasonably foreseeable material financial effect on the business entity.

Anne K. Mester

Public Utilities Commission

Dated May 2, 2001

Our File Number: A-01-047

A public utility commission member may participate in decisions regarding rate structures for internet service providers despite having an economic interest in a company with contacts to the ISP industry.

John A. Ramirez

Huntington Beach Union High

School District

Dated May 31, 2001

Our File Number: I-01-069

A general discussion of what conduct constitutes "participating" in making a governmental decision. No specific advice.

Richard R. Rudnansky

Petaluma City Council

Dated May 22, 2001

Our File Number: A-01-075

This letter discusses the identification of economic interests for a council member who is compensated in private sector employment on a commission basis. The letter concludes the council member may participate in decisions regarding a company that supplies products to his employer that the council member in turn sells to customers.

Karin D. Troedsson

Town of Yountville

Dated May 15, 2001

Our File Number: A-01-077

A public official with a residence located within 500 feet of the subject decision is presumed to have a conflict of interest; to determine whether the "public generally" rule applies certain information must be gathered.

Lisa A. Foster

City of San Diego

Dated May 29, 2001

Our File Number: A-01-086

A council member may participate in decisions regarding a past

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employer because of an exception in the definition of "sources of income" for just such a case. The letter also concludes that the council member's participation in his prior employer's 401(k) plan does not give rise to a conflict of interest for the official.

Patricia C. Bates
California State Assembly
Dated May 4, 2001

Our File Number: A-01-093

An Assembly member has an economic interest in a city by virtue of income received by the Assembly member's spouse. However, the Assembly member will not have a conflict of interest in authoring legislation that affects that city's revenue because the "public generally" exception applies.

Steven L. Dorsey
Los Angeles Care Health Plan
Dated May 22, 2001

Our File Number: I-01-102

Reviews application of the "public generally" exception for appointed members of boards and commissions to members of L.A. Care Health Plan. Discusses whether "stakeholder" members with economic interests in businesses that may be affected by the board's decisions may participate in those decisions under Regulation 18707.4.

Craig A. Steele
City of San Marino
Dated May 31, 2001
Our File Number: A-01-107

A city attorney is defending a lawsuit involving real property located more than a mile from his residence. The lawsuit challenges the local design review ordinance. The city attorney's neighbor has submitted a major design review application involving real property within 500 feet of the city attorney's residence. The fact that the neighbor has a pending design review application does not create a conflict of interest for the city attorney in defending the lawsuit involving unrelated real property, because there is no reasonably foreseeable material financial effect on the city attorney's economic interests.

Liane M. Randolph
City of Moorpark
Dated May 24, 2001
Our File Number: A-01-109

This letter applies the standard analysis in determining whether a city council member has a conflict of interest in participating in decisions and pending litigation regarding a development project 780 feet away from her residence.

Sam Perrotti
Department of Real Estate
Dated May 21, 2001
Our File Number: I-01-110

A planning commissioner who is employed by the Department of Real Estate questions his eligibility on planning commission decisions where the subject subdivision is also under the juris-

diction of his employer.

Richard D. Jones
City of Westminster
Dated May 22, 2001
Our File Number: A-01-113

A city council member may participate in council decisions to amend a general plan and change zoning where a participant in the proceeding is a campaign contributor to the council member. A reportable campaign contribution is not a source of income under the Act. There is no other "economic interest" leading to a conflict of interest under the given facts.

Lois Coalwell
El Dorado County
Dated May 22, 2001
Our File Number: A-01-114

A public official may hear and decide upon a matter even though one of the parties to the matter is represented by an attorney who also represents the official's spouse in an unrelated matter. The public official has no economic interest in a matter to be decided based merely upon such common legal representation.

Deborah S. Acker
City of Ontario
Dated May 23, 2001
Our File Number: A-01-117

The conflict-of-interest prohibition does not apply to writing a newspaper article or speaking on the radio about a matter in which an official has a conflict of inter-

FPPC Advice Summaries

est.

Charlotte Craven
City of Camarillo
Dated June 1, 2001

Our File Number: I-00-224

Determining the distance between a public official's property and the property that is the subject of a redevelopment decision depends heavily on the type of decision before the official.

Sharon A. Stone
City of Chico
Dated June 6, 2001

Our File Number: I-01-014

The investments and income of a spouse are attributed to a public official for purposes of conflict-of-interest analysis; depending on the type of economic interest, community property law may be applied.

Tom Wood
City of Costa Mesa
Dated June 12, 2001

Our File Number: A-01-058

A general discussion of conflict of interest caused by official's interest in his residence and the common area in his planned unit development. Common area is treated as a separate property interest if his pro rata share in the property is worth \$2,000 or more. However, the treatment of common property in planned unit developments and condominium complexes may be the subject of regulatory action in the future.

Ronald R. Ball
City of Carlsbad
Dated June 1, 2001
Our File Number: A-01-071

A member of a city council, otherwise prohibited from participating in decisions regarding a local power plant, may nevertheless participate in a decision to hire a consultant to the city who will advise the city about potential pollution issues.

Michael S. Botello
City of Torrance
Dated June 14, 2001

Our File Number: I-01-081

An official may not participate in a decision if it is reasonably foreseeable that his economic interest will experience a material financial effect as a result of the decision.

John L. Cook
City of Indian Wells
Dated June 6, 2001

Our File Number: A-01-111

A city council member has a client in his private law practice who bids on all public works projects. Even where his client is not the lowest bidder, the city council member is disqualified from participating in the decision to award the public works contract to the lowest bidder. The decision to award a public works contract to the lowest bidder is not a ministerial function, and it will have a reasonably foreseeable material financial effect on the council member's

economic interests.

William A. Nack, Commissioner
SF Bay Conservation & Development Commission
Dated June 21, 2001

Our File Number: A-01-121

A member of the San Francisco Bay Conservation and Development Commission may not participate in decisions regarding runway and airport reconfiguration at the San Francisco International Airport while also serving as business manager for the San Mateo Building and Construction Trades Council. There is a nexus between the council as a source of income and participation in the airport-related construction decisions.

Steven L. Dorsey
City of Pasadena
Dated June 15, 2001

Our File Number: A-01-125

A city manager may participate in decisions regarding a proposed development even though her spouse works for a firm that provides public outreach services to the development company. The letter includes discussion of personal financial interest, a business entity as a source of income via community property law, and application of the "nexus" test.

Celia A. Brewer
City of Solana Beach
Dated June 15, 2001
Our File Number: A-01-126

FPPC Advice Summaries

A public official may participate in a decision if it is not reasonably foreseeable that the official will experience a personal financial effect as a result of the decision.

Marguerite S. Strand
Valley Center Municipal Water District

Dated June 14, 2001

Our File Number: A-01-129

A water district board member, with his siblings and parents, is in a limited partnership that owns real property that will be affected by a decision of the board. The board member may not appear before the board as a member of the general public representing his personal interests because neither he nor his "immediate family," as defined in the Act, owns the limited partnership that is affected by the governmental decision. His siblings and other members of his family are not in any way restricted under the Act from appearing as members of the general public before the board to represent their interests and the partnership's interests.

Guy D. Petzold
City of Stockton

Dated June 14, 2001

Our File Number: A-01-130

A city code enforcement officer has no conflict of interest in a code enforcement action in which she is not a participant. Conflict-of-interest provisions apply to individuals and are not

imputed to co-workers.

Philip H. Robb

Dated June 19, 2001

Our File Number: A-01-135

A member of a water agency governing board, who has made past expense claims but has none pending, may request that the expense claim reimbursement policy be put on the agency agenda. He may also discuss his own difficulties with the expense claim reimbursement policy at a meeting of the governing board. Both of these actions are permissible under the Act because they pertain to the board member's "compensation or terms or conditions of employment."

Gifts

Councilmember Julia Miller
City of Sunnyvale

Dated March 20, 2001

Our File Number: A-01-043

The use of a shared hotel room is a gift. If the fair market value of that gift is \$50 or more, it must be reported on the statement of economic interests. If valued at \$320 or more, it is a gift over the limit and must be reimbursed within 30 days of receipt.

Barbara Heller,
Councilmember
City of San Rafael

Dated April 6, 2001

Our File Number: A-01-029

If travel certificates issued to a public official by a credit card

company are given in the regular course of business to members of the public without regard to official status, the certificates do not constitute gifts under the Act.

Robin P. Parker
New Motor Vehicle Board

Dated April 25, 2001

Our File Number: I-01-057

The use of a refrigerator is a gift to an agency provided that each requirement of Regulation 18944.2 is fulfilled.

Dona Spring
Berkeley City Council
Dated April 6, 2001

Our File Number: A-01-076

Under the ceremonial role exception, tickets provided to a city council member to attend the opening of a theater are not a gift to the city council member.

Byron C. Smith
Vallecito Union School District
Dated May 17, 2001

Our File Number: A-01-098

An official who buys software for a public agency and enters a contest accessible to all purchasers has no reporting obligations when his entry wins the contest and he will not "receive" or "accept" the prize. The agency may accept the prize.

Marlene L. Garcia
Senate Office of Research
Dated June 11, 2001
Our File Number: A-01-083

FPPC Advice Summaries

To the extent a designated employee's participation in an annual program sponsored by a bona-fide nonprofit organization includes more than merely making a speech, writing an article, attending a meeting or a public or private conference, and to the extent such services provide greater or equal consideration, any payment received is neither a gift nor honorarium, but is considered income which may have to be disclosed on the employee's statement of economic interests.

Honoraria

James Gilford
Alameda County Community Development Agency
Dated May 25, 2001

Our File Number: I-00-232

Informal assistance regarding holding two positions, honoraria ban, earned income, gifts and reimbursement for travel expenses.

Lobbying

Kathye Blessing
City of Los Angeles Department of Airports
Dated April 19, 2001

Our File Number: A-01-068

Parking passes provided by the City of Los Angeles, a lobbyist employer, to the Senate Rules Committee are not reportable by the legislators who use the passes, nor by the city if: 1) the

Senate Rules Committee accepts the passes under Regulation 18944.2, and 2) the City of Los Angeles does not provide the passes as part of its efforts to lobby the Legislature. However, if the city would not be providing the passes except for the fact that it lobbies the Legislature, the city would report the fair market value of the passes as an "Other Payment to Influence" on its Lobbyist Employer Report, Form 635.

Bonnie L. Chafe
The State Affairs Company
Dated June 26, 2001

Our File Number: A-01-153

A lobbyist is unable to complete the ethics training as required for lobbyist certification due to personal and professional reasons, and seeks a temporary waiver of the requirement. The Commission may not grant a waiver of ethics training requirement for lobbyist certification because there is no statutory authority for such a waiver.

Proposition 34

Kenneth R. Homer, C.P.A.
Miller, Kaplan, Arase & Co.
Dated April 12, 2001

Our File Number: A-01-060

A committee that receives contributions through an intermediate unit of its sponsor may qualify as a small contributor committee as long as all four criteria

in Section 85203 are met.

Greg Cooper
Mountain View Professional Firefighters PAC
Dated May 15, 2001

Our File Number: A-01-087

Section 85303 places a \$5,000 limit per contributor on contributions received by a PAC if it uses the funds to make contributions to state legislative candidates. A PAC that only contributes to city candidates is not affected by Section 85303. There are no limits on independent expenditures made by a PAC. Section 85303 does not affect a committee's fundraising or reporting obligations if the committee receives only \$10 per month from 70 contributors.

Mark Ginsberg, Treasurer
CASE PAC
Dated June 11, 2001

Our File Number: A-01-070

This letter discusses whether a small contributor committee may accept contributions it receives that exceed the annual limit of \$200 per person set forth in Section 85203, and analyzes specific purposes for which the excess contributions may be used.

Revolving Door

James P. Gazdecki
California Occupational Safety and Health Appeals Board
Dated March 21, 2001
Our File Number: I-01-061

FPPC Advice Summaries

This is a general discussion of “revolving door” restrictions imposed on the former chairman of the California Occupational Safety and Health Appeals Board. The Chairman left more than a year prior to the letter.

Timothy W. Boyer
State Board of Equalization
Dated May 3, 2001

Our File Number: I-01-065

This letter addresses the status of tax audits and audit appeal hearings conducted by the State Board of Equalization in the context of the post-employment restrictions of Sections 87401 and 87406.

Statement of Economic Interests

Charisse L. Anderson
Metropolitan Transportation Authority

Dated March 15, 2001

Our File Number: A-01-039

Filing officers may use electronic mail to notify and remind filers of their statement of economic interests’ reporting obligations provided certain safeguards are in place.

Robert N. Klein, II
California Housing Finance Agency

Dated April 17, 2001

Our File Number: A-00-270

A California Housing Finance Agency board member has no

further income disclosure obligations for certain partnerships on his 1999 annual statement of economic interests, based on information he provided. However, if a separate partnership meets the definition of “housing sponsor,” he will be required to report his pro rata share of gross income to that partnership.

Rebecca Bingea
California Speech-Language Pathology and Audiology Board

Dated April 13, 2001

Our File Number: I-01-080

This informal advice letter discusses whether certain payments received for professional writing related to a board member’s work are reportable on a statement of economic interests. The letter also discusses when professional journal writing might give rise to a conflict of interest.

Kevin S. Moen, Ph.D.
FPPC

Dated June 26, 2001

Our File Number: A-01-078

An individual with full disclosure requirements for purposes of filing a Statement of Economic Interests, Form 700, is not required to report assets of a domestic partner, as he or she has no community property interest in the domestic partner’s sources of income, investments and real property.

Robert Traverso
California Gambling Control

Commission

Dated June 19, 2001

Our File Number: I-01-124

Members of an advisory committee will be required to file statements of economic interests if they are not merely advisory as defined by the Act, but, instead, are involved in making or participating in making governmental decisions. There is a general discussion of disclosure on the Statement of Economic Interest filing as well as an overview of conflict-of-interest issues.

§ 84308

Denis R. Bilodeau
Orange County Water District
May 11, 2001

Our File Number: A-01-104

The exemption from disclosure for “local government agencies whose members are directly elected by the voters” only applies to agencies whose entire membership consists of officers directly elected by the voters to serve on that agency. It does not apply to elected members who serve on a board that has a combination of directly elected and appointed members.

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